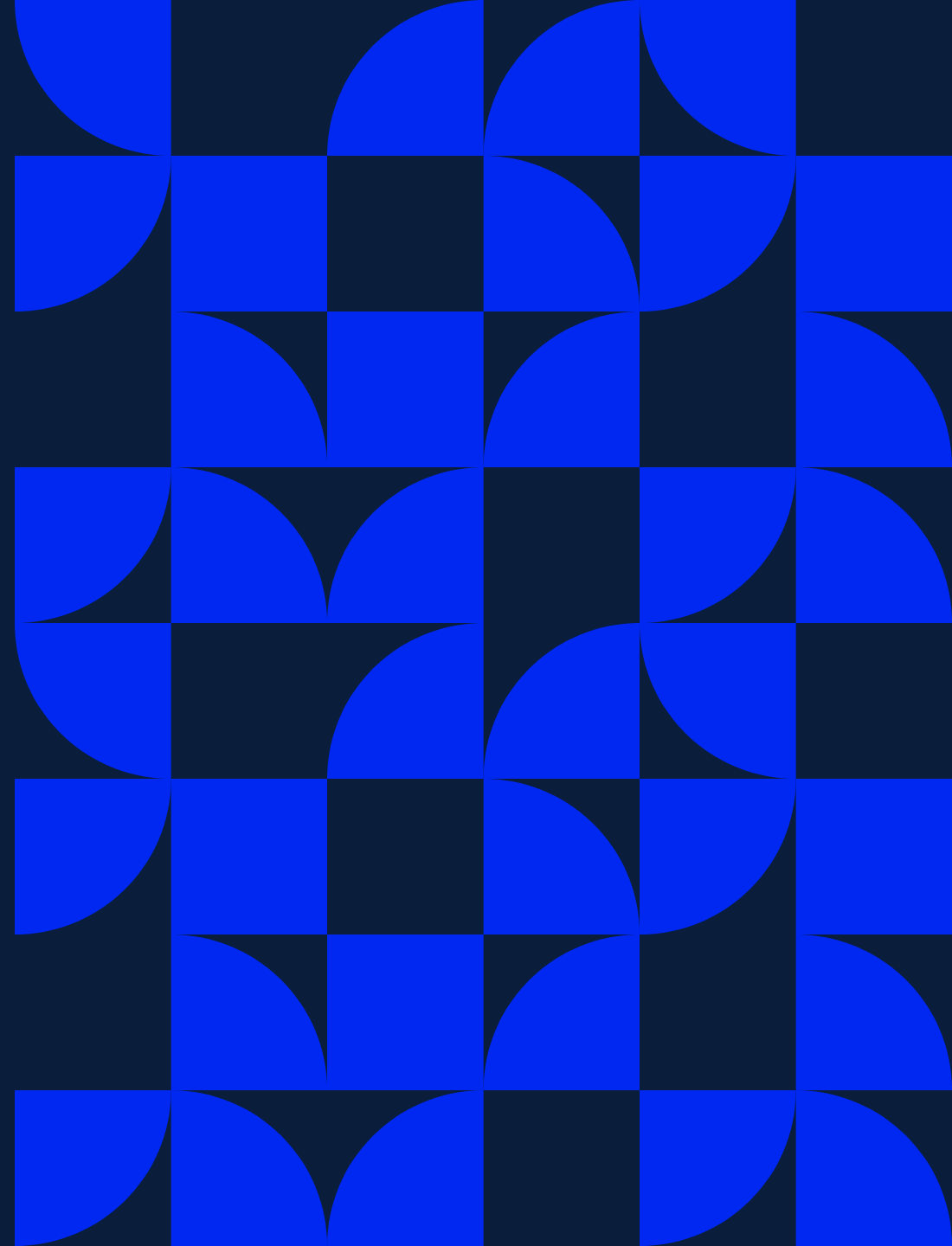




Unlocking growth

Investor Day 2024

20 November 2024



Today's agenda

13:00



14:30



15:00



15:50



Introduction | Strategic direction | Market

Timo Laaksonen
President and Chief Executive Officer

Bruno Rodriguez
Chief Revenue Officer

30 min

Portfolio | Products | AI landscape

TL Viswanathan
Chief Product Business Officer

Laura Kankaala
Head of Threat Intelligence

Eero Kukko
Director, Product Management Security Suite

Niko Kiukkonen
Director, Product Management Embedded Security

Financials | Sustainability

Sari Somerkallio
Chief Financial Officer

Timo Laaksonen
President and Chief Executive Officer

Presenting today



Timo Laaksonen
President and
Chief Executive Officer



Bruno Rodriguez
Chief Revenue
Officer



TL Viswanathan
Chief Product
Business Officer



Laura Kankaala
Head of Threat
Intelligence



Eero Kukko
Director, Product
Management
Security Suite



Niko Kiukkonen
Director, Product
Management
Embedded Security



Sari Somerkallio
Chief Financial Officer

Disclaimer

This presentation contains forward-looking statements (such as, by way of example only, expressions “believes”, “expects”, “foresees” or similar) that reflect the current views and assumptions of F-Secure Corporation (“F-Secure”). These forward-looking statements include (but may not be limited to) statements with regard to the expected development of business, results of operations and financial position of F-Secure. Accordingly, you should consider them with caution and understand that they are not historical facts or promises. Such statements are subject to risks and uncertainties, most of which are difficult to predict and are generally beyond the control of F-Secure. Some of the factors that might influence our ability to achieve our objectives include (but are not limited to) the progress of our strategy implementation, stronger than expected competition, macroeconomic developments, technological innovations, market consolidation, legal proceedings, government actions and regulatory developments, each and all of which may have an adverse effect (which may be material) on our results. Further, the economic downturn in our markets may also have an impact on our business development and the availability of financing on favorable conditions. If these or other risks and uncertainties materialize, or if the assumptions underlying any of these statements prove to be incorrect, our actual performance may materially differ from the performance expressed or implied by forward-looking statements. We offer no assurance that our estimates or expectations will be correct or accurate and therefore our results may differ significantly from those set out in any forward-looking statements as a result of various factors. Except as required by any mandatory obligations under capital market laws and regulations, we do not assume any obligation to update forward-looking statements to take new information or future events into account or otherwise.



A few words about **practicalities**

Unlocking growth

Timo Laaksonen
President & CEO



Growth fundamentals established 2023



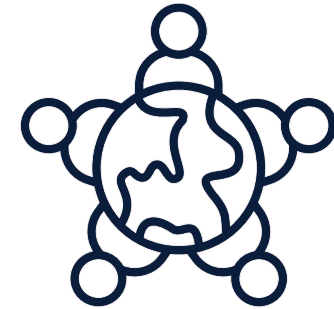
Addressable market

Tier 1 and new verticals
Best partner experience



Value increase

Scam protection
Total conversion
Embedded experiences



Aspirational culture

Growth mindset
Agility

Undisputed leader among world's largest communication service providers



Chosen by 6-out-of-10 world's largest CSPs

Security becoming a core service

Allows reaching hundreds of millions of consumers

New Verticals primary focus now major financial institutions



Addressable market



Value increase



Aspirational culture

Putting a stop to scams



Prevented tens of millions of potential shopping scams



Addressable market



Value increase



Aspirational culture

Scam protection

Right time, right place



Broadest embedded portfolio in the industry



Award-winning, AI powered messaging scam protection



Need for scam protection and related business opportunity resonates with partners



Addressable market



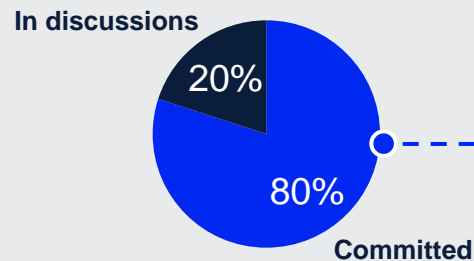
Value increase



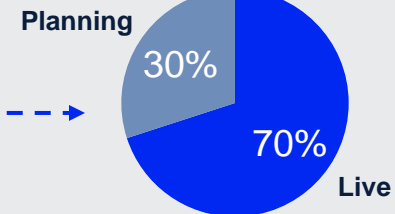
Aspirational culture

**F-Secure Total
multi-module
conversion status**

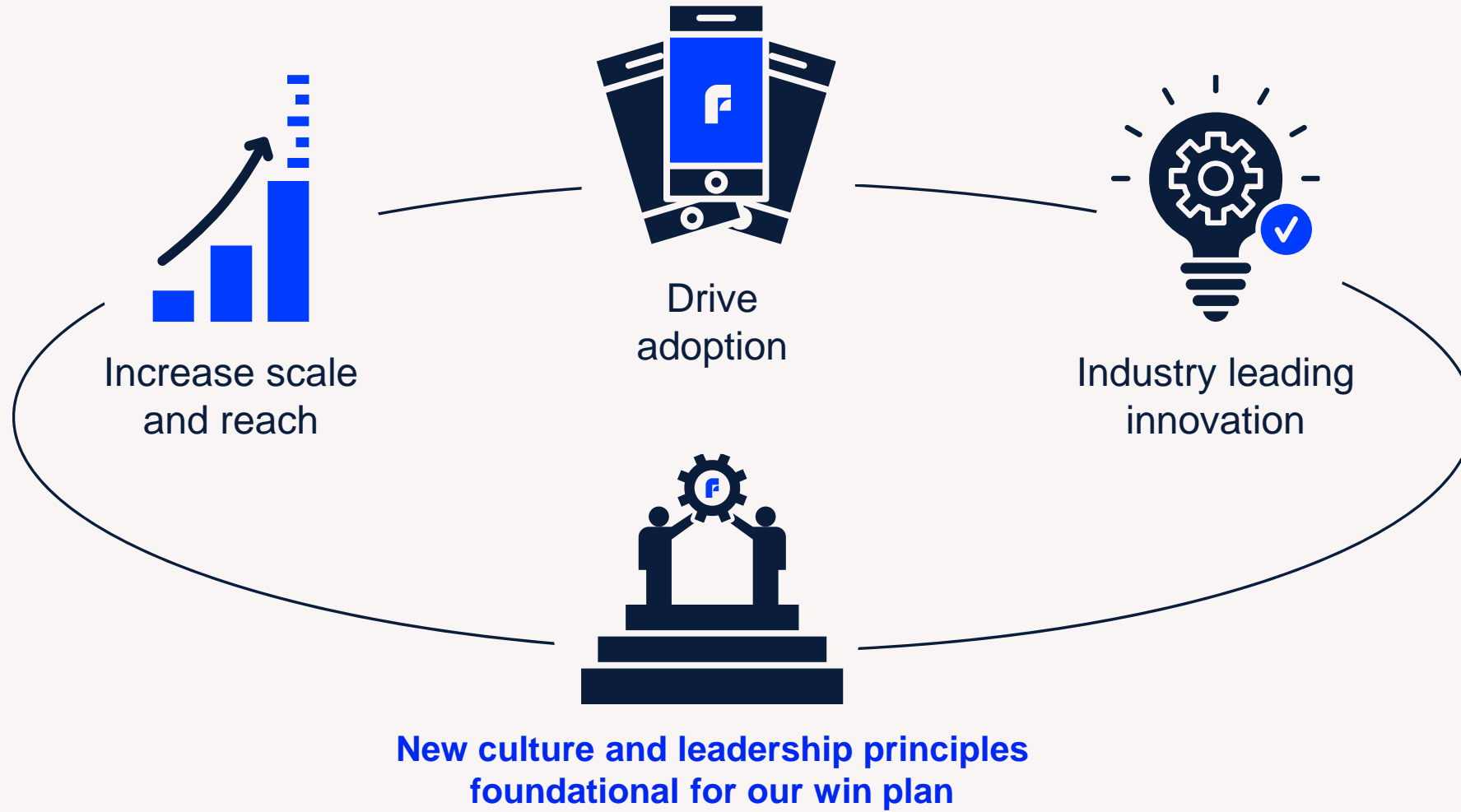
Commitment among top 50 partners



Roll-out status among committed partners



New culture empowering growth mindset



Addressable market



Value increase



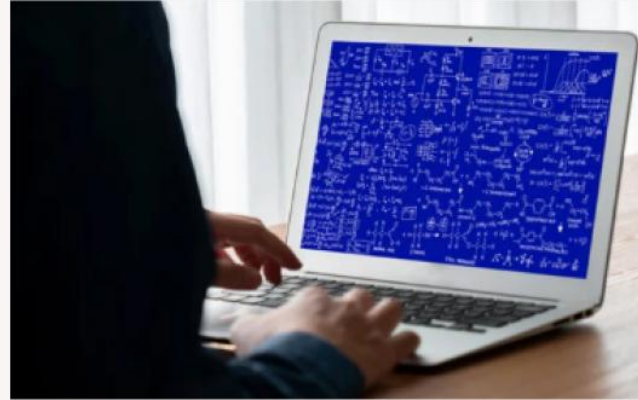
Aspirational culture

F-Secure confronts the biggest issues facing cyber security



The scam pandemic is destroying trust

- 80% of people live in fear of scams while 85% have encountered a scam in '24
- \$1.0 Trn lost to scams '24



Complexity is #1 challenge to adoption

- 69% of consumers feel security is too complex and impenetrable
- On average c.10% of consumers activate partner security services



Our unique approach combines security & experience

- Research driven, holistic scam protection powered by AI
 - Customer and partner experience driven by trusted companion model

Only F-Secure is exclusively engineered for Partner Success



Partner 1st

- End-to-end optimized operating model – for each partner segment
- No channel conflicts



We make it yours

- Driving differentiation with Embedded and Total offerings
- Turning security from VAS to core service



Undisputed leader with CSPs

- Trusted cyber security partner to the world's biggest service provider brands

Boosting growth in all market segments

Bruno Rodriguez

Chief Revenue Officer



The importance of implementing a comprehensive consumer cyber security solution

Michael Philpott

Research Director, Service Provider – Consumer



Brought to you by Informa Tech

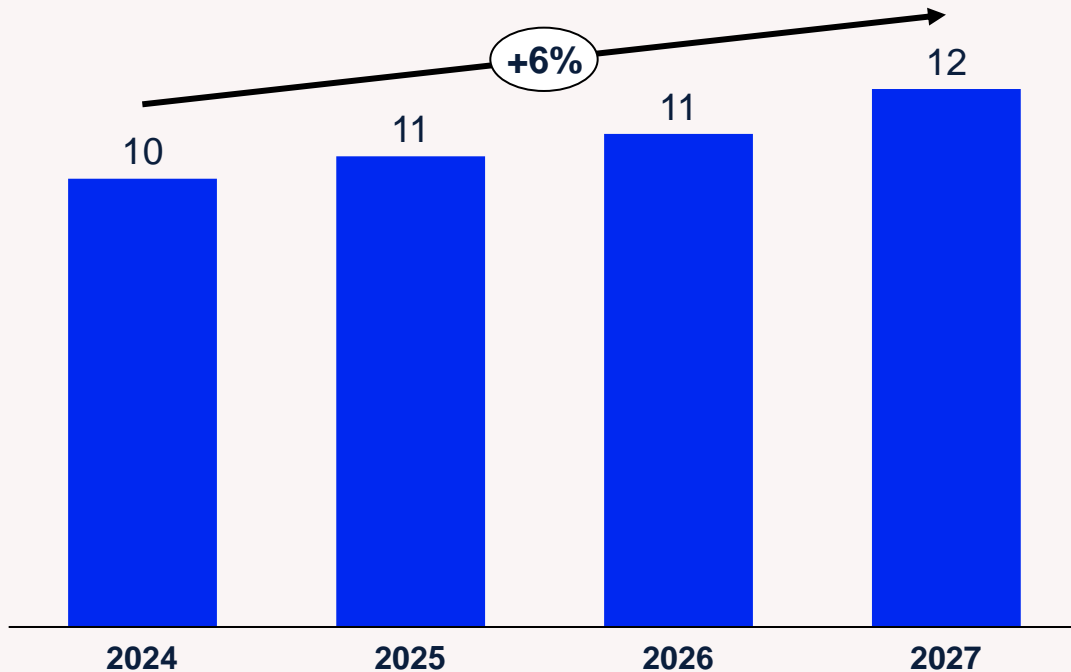


Consumer cyber security total addressable market (TAM)



Consumer cyber security TAM

Consumer spend on cyber security (BUSD)

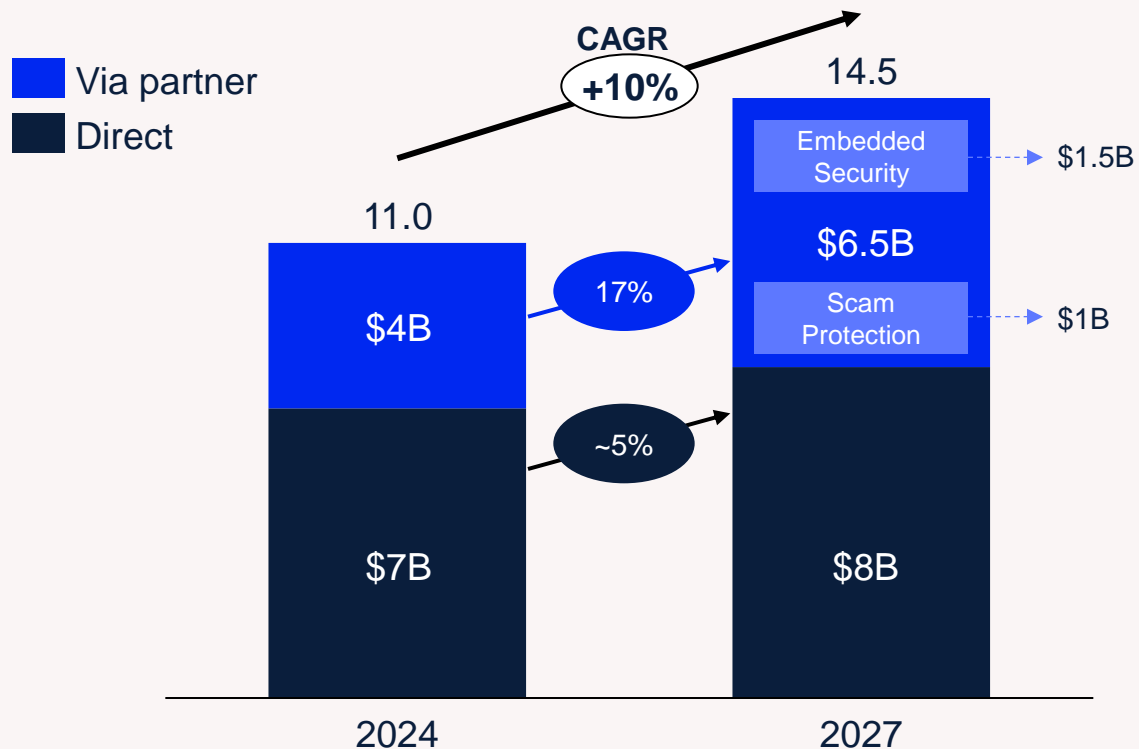


According to market analysts, the consumer cyber security market is estimated to **grow 6-7%** over the next 3 years

Gartner, IDC, F-Secure market intelligence and management estimates

Consumer cyber security TAM according to F-Secure

Channel partners expanding TAM (BUSD, consumer spend)



Gartner, IDC, F-Secure market intelligence and management estimates

- B2C cyber security will grow in the mid single digits
- **B2B2C cyber security will grow at more than 3x**
 - Cyber security moving from VAS to core in CSPs
 - High adoption of embedded security in T1 CSPs
 - Higher consumer willingness to pay for scam protection

Why **B2B2C model** is ideal to penetrate the consumer cyber security market



Need a trusted companion

81%

expecting their Internet Provider to provide security*

Most consumers see CSPs or insurance companies as their provider of choice for cyber security

OMDIA: 53% of consumers chose their CSP as their provider for cyber security and 14% chose their insurance company

Source: *Global consumer market survey by F-Secure, Jun 2023, N=4,400

Why **B2B2C model is ideal** to penetrate the consumer cyber security market



And consumers are willing to pay for cyber security

56%

paying for all/some part of their security solutions in 2024

71%

willing to pay for scam protection*

Source: Global consumer market survey by F-Secure, Jan 2024, N=7,000;

*Within key security target segment Idea Hunters

CSP market trends



CSPs realize they need to change...

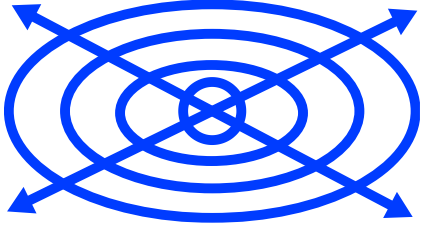
45%

of CEOs believe their company will not be viable in ten years if it stays on its current path.

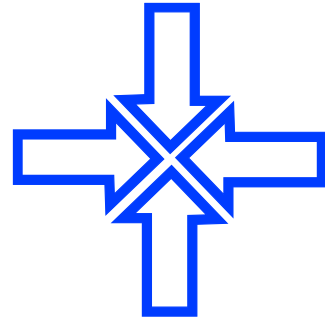


<https://www.pwc.com/gx/en/issues/c-suite-insights/ceo-survey.html>

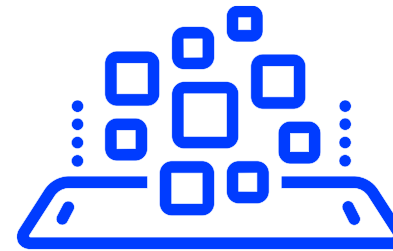
CSP market trends



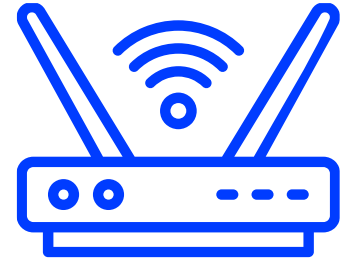
**Extending the
Core**



Convergence

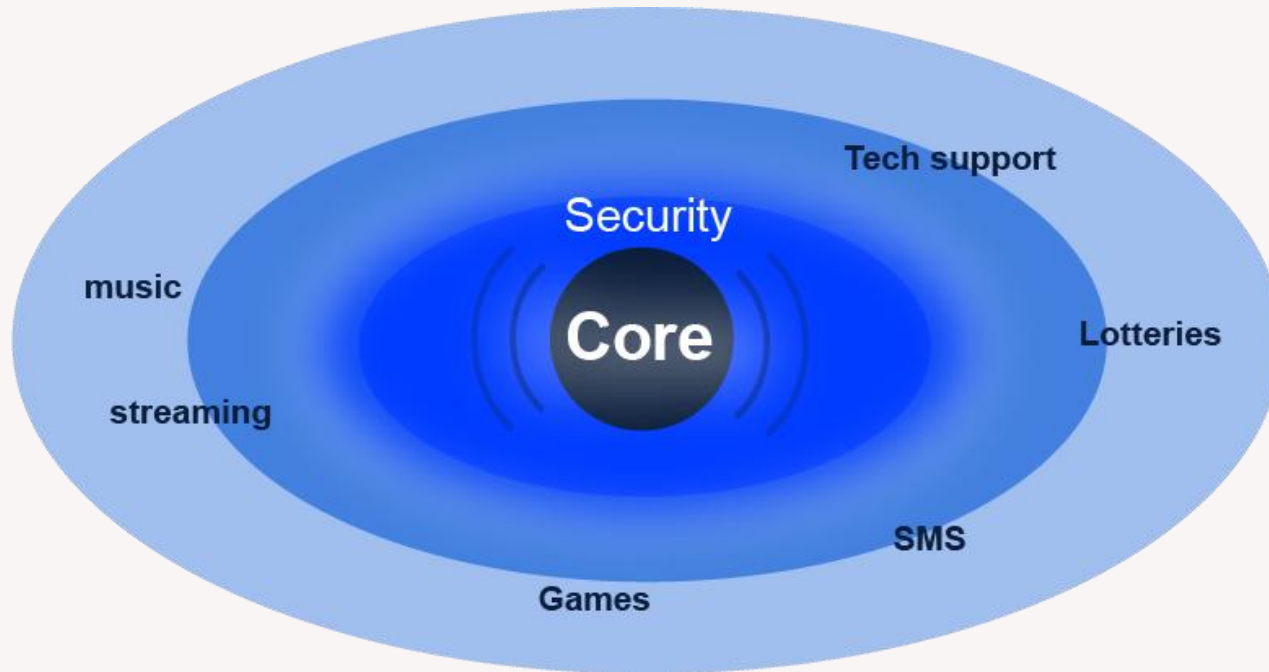


**Building
CSP apps**



**Router
standardization**

Extending the Core



Why cyber security vs other VAS?

Market growth

VAS market is expected to grow 13.4% during 2024-2032*

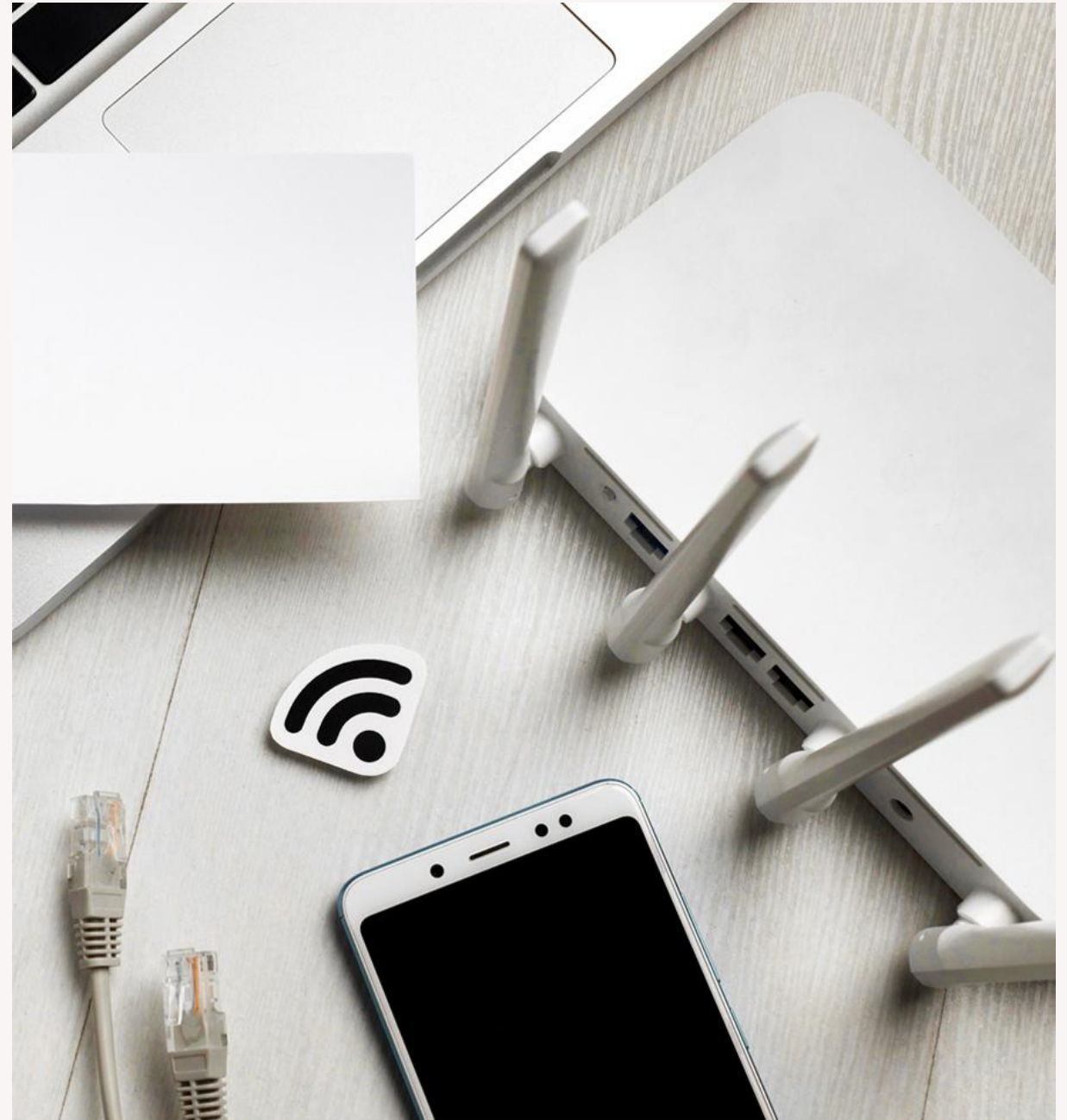
More profitable than other VAS

Cyber security provides up to 75% GM compared to <10% from other VAS

Demand from consumers

“57% of consumers are willing to add security to their mobile subscriptions” **

Convergence between broadband and mobile



Two examples

AT&T vs. Verizon: Who's leading the convergence race?

Verizon this week outlined its approach to wireless-wireline convergence. But some see the company's new strategy as a poor imitation of the story AT&T has already begun telling.



AT&T in a 'race to convergence, CEO says

CEO John Stankey touted AT&T's strategy to combine fiber with mobility, stressing that AT&T is in a 'race to convergence.' Meanwhile, AT&T's fiber and 'Internet Air' products helped drive overall broadband subscriber growth in

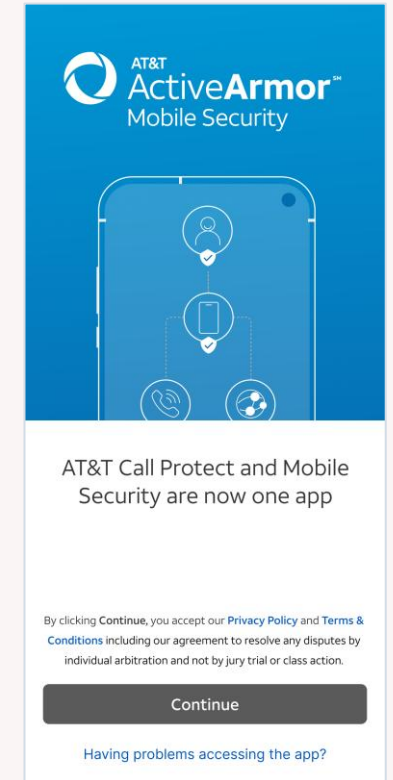
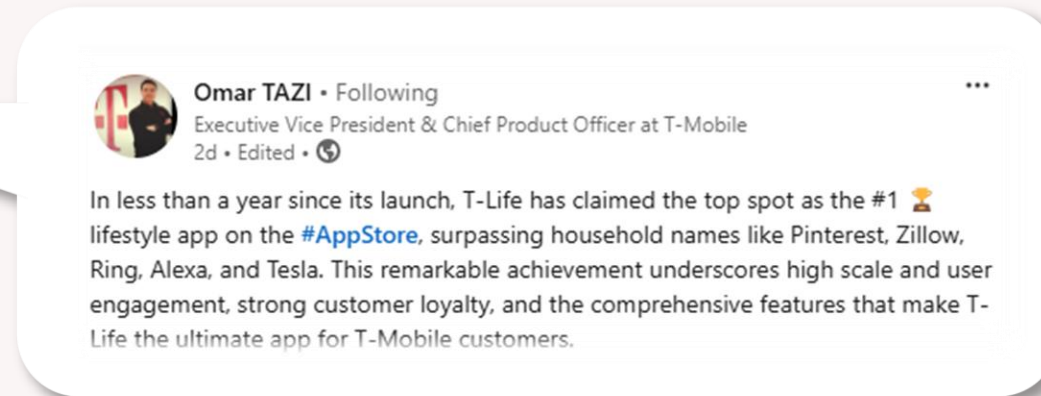
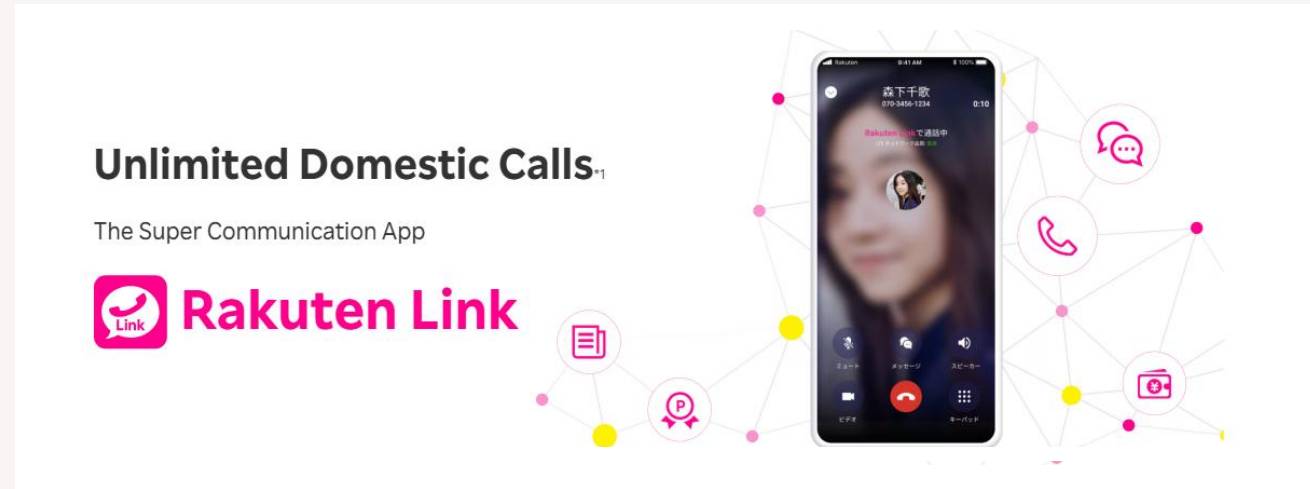
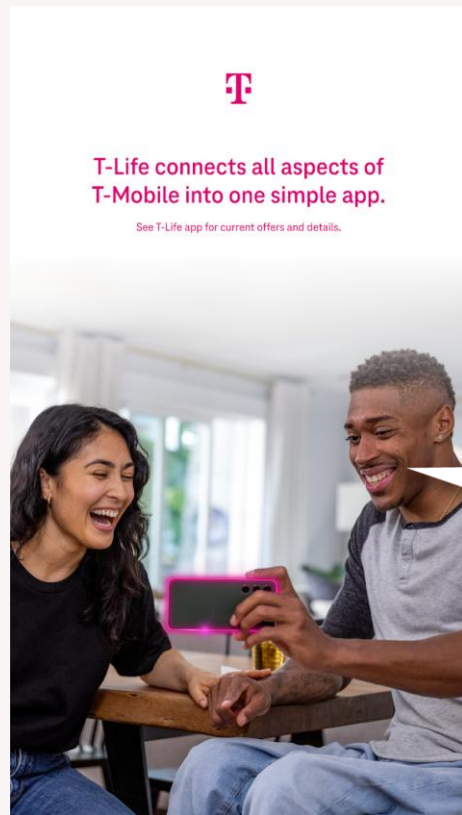
**Verizon's \$20B Frontier buy
is all about 'convergence, baby'**

**In a converged world,
CSPs need to deliver a
unified user experience**

How will they achieve this?



CSPs supercharging their apps with security services



What about the smart home?

The challenge has been to find an easy way to deploy services on the router



Home routers (CPE) having their “Android Moment”

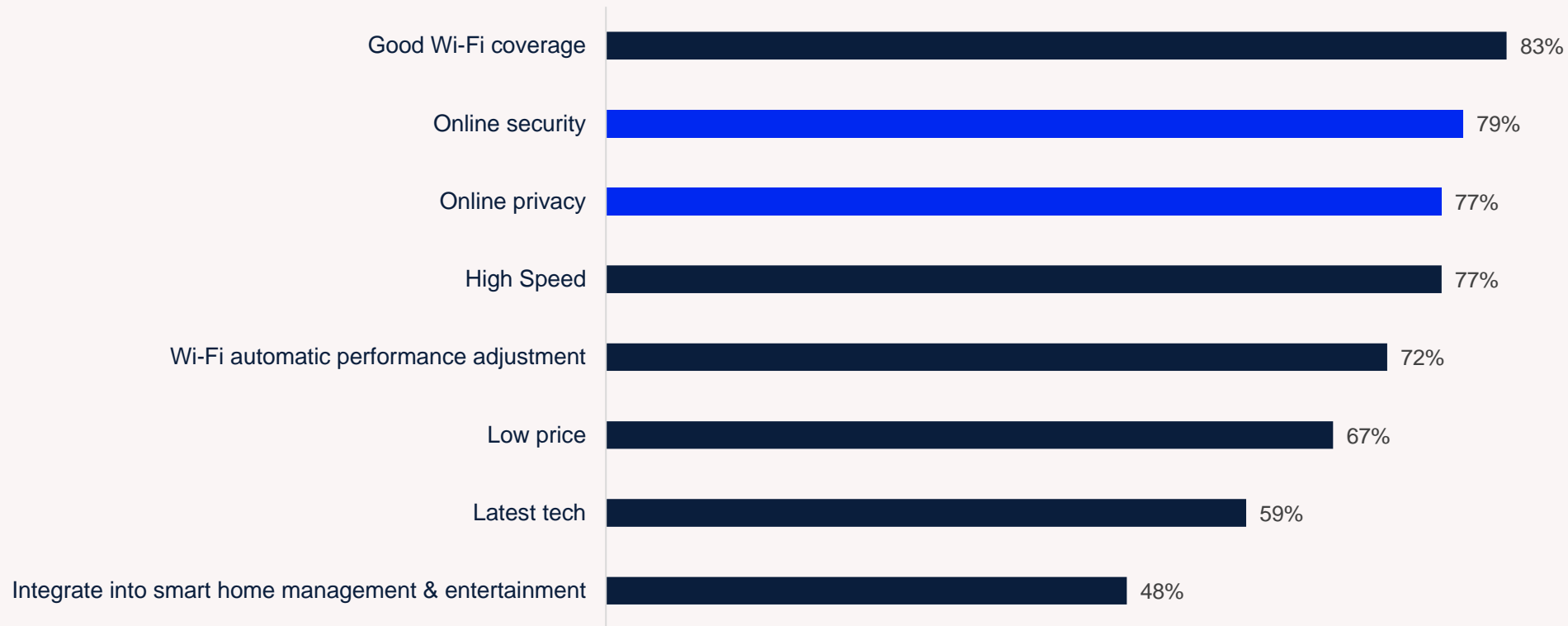
Biggest telcos in the world have deployed, or will be deploying next year a standard operating system in their routers



Security is the killer app for routers

Top router apps demanded by consumers are WiFi management and security

Importance of factors when choosing your home gateway / WiFi router



F-Secure: The trusted partner for CSP transformation



Not all service providers are created equal

Understanding and service the needs of each partner segment



Strategic partners

Top 20 Service Providers

- Large base, high ARPU
- Security from VAS to core service
- Looking for differentiation/unique solution
- High investment/maintenance power



Major partners

Top 100 Service Providers

- High ARPU
- Need for services
- Quick Time To Market
- Reasonable operation costs
- Measured investment power



Commercial partners

Other service providers

- Distributed or lower ARPU
- Followers
- Quick Time To Market
- Efficiency
- Limited investment power



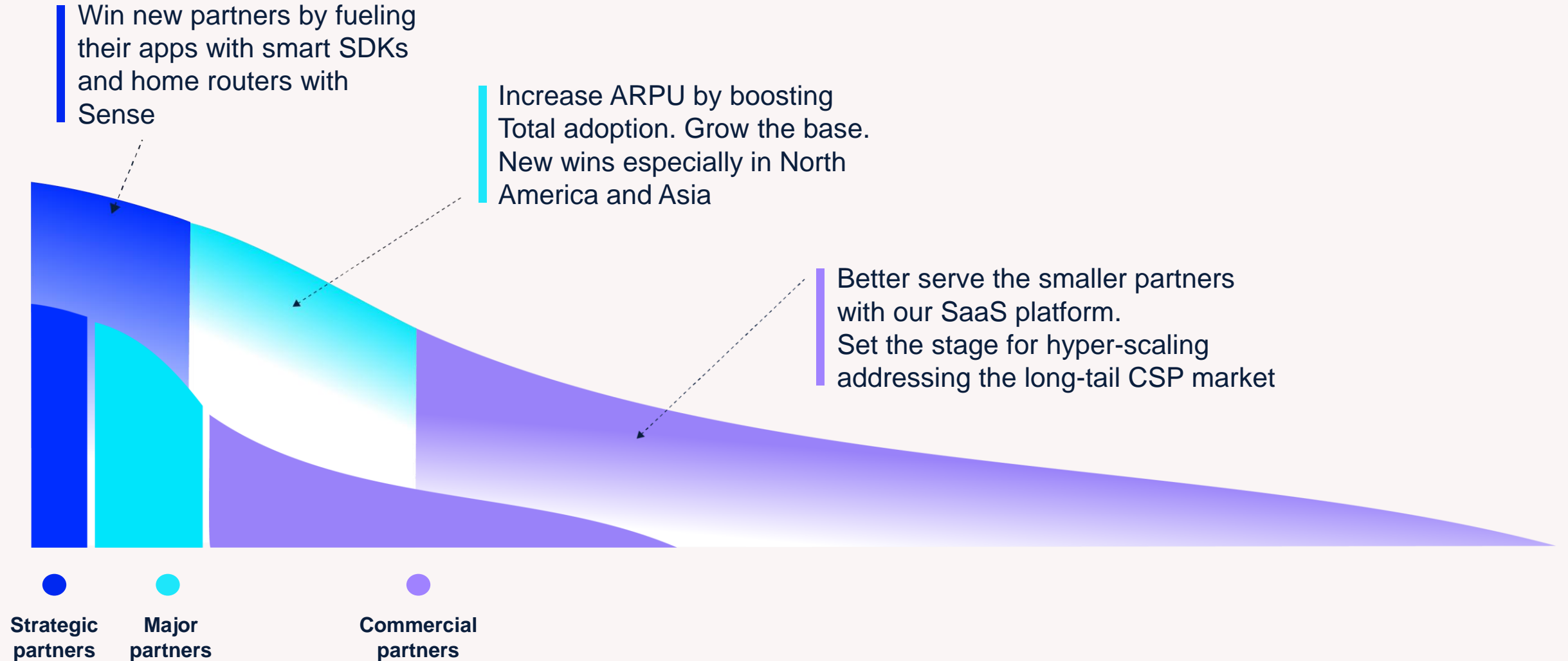
Direct Business

Consumers

- Concerned about the scam pandemic
- Security solutions are too complex
- Don't know who to trust for security
- Willing to pay

We're restructuring the company to drive growth in all segments

Strategy to grow in each partner segment



Why we win

- ✓ Partner first, always
- ✓ Optimized to make Service Providers successful in security business
- ✓ Scam focused



Q&A

Break

Presentation continues
approximately at 15:00



Holistic & innovative portfolio fueling growth

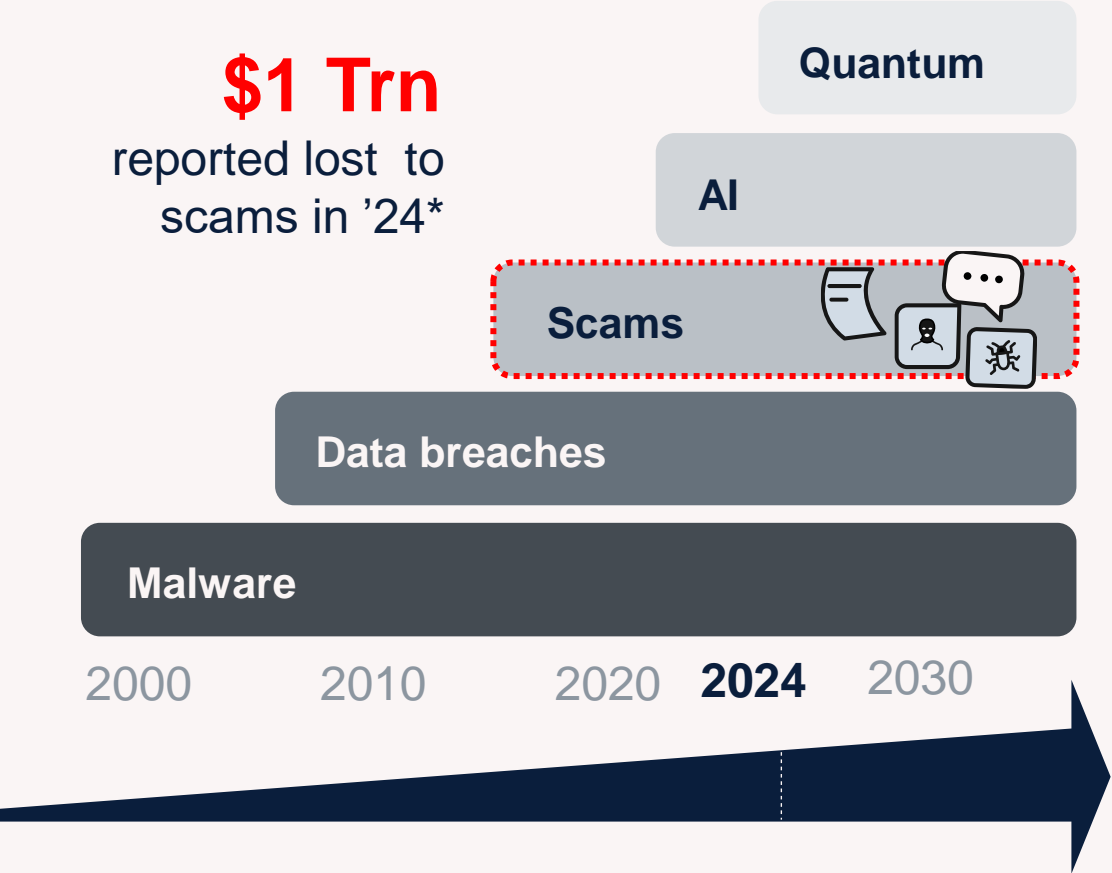
TL Viswanathan

Chief Product Business Officer



Key challenges we are tackling

Scam pandemic



Complexity



80%
worry about their online
security



69%
find security complex

Solving the scam pandemic

Laura Kankaala

Head of Threat Intelligence



Good morning,

Please are you Single or Married woman, I am interested in building a long term relationship with an honest and faithful woman, waiting for your response.

Regards,

Sgt. David Moran.



Text to Speech

Convert text into lifelike speech using a voice of your choice.

Speech to Speech

Create speech by combining the style and content of an audio file you upload with a voice of your choice.

Settings

Eleven Multilingual v2

▼

laura v2

▼

+ Add Voice

Voice Settings

▼

Text

Hi! I'm Laura, an information security professional and an ethical hacker. Send me all of your money to my bank account.

120 / 5000

Total quota remaining: 29444

Generate





If you purchase HP FORUM OR WARRANTIES OF THE FORUM 20% DISCOUNT FOR ALL KINDS OF SERVICES



Product ▾ Solutions ▾ Resources ▾ Open Source ▾ Enterprise ▾ Pricing

phishing

REDGlade
Local

Joined: Feb 1
Messages:
Reaction score:
Points:

Filter by

- <> Code ...
- Repositories** 17.4k
- Issues 42k
- Pull requests 76k
- Discussions 1k
- Users 332
- ▾ More

Languages

- Jupyter Notebook
- Python
- HTML
- JavaScript
- CSS
- Shell

17.4k results (241 ms)

Sort by: Best match ▾



gophish/gophish

☆ Star

Open-Source **Phishing** Toolkit

Go · 11.6k · Updated on 23 Sept



Ignitetch/AdvPhishing

☆ Star

This is Advance **Phishing** Tool ! OTP **PHISHING**

Hack · 2.7k · Updated on 16 Jul



UndeadSec/SocialFish

☆ Star

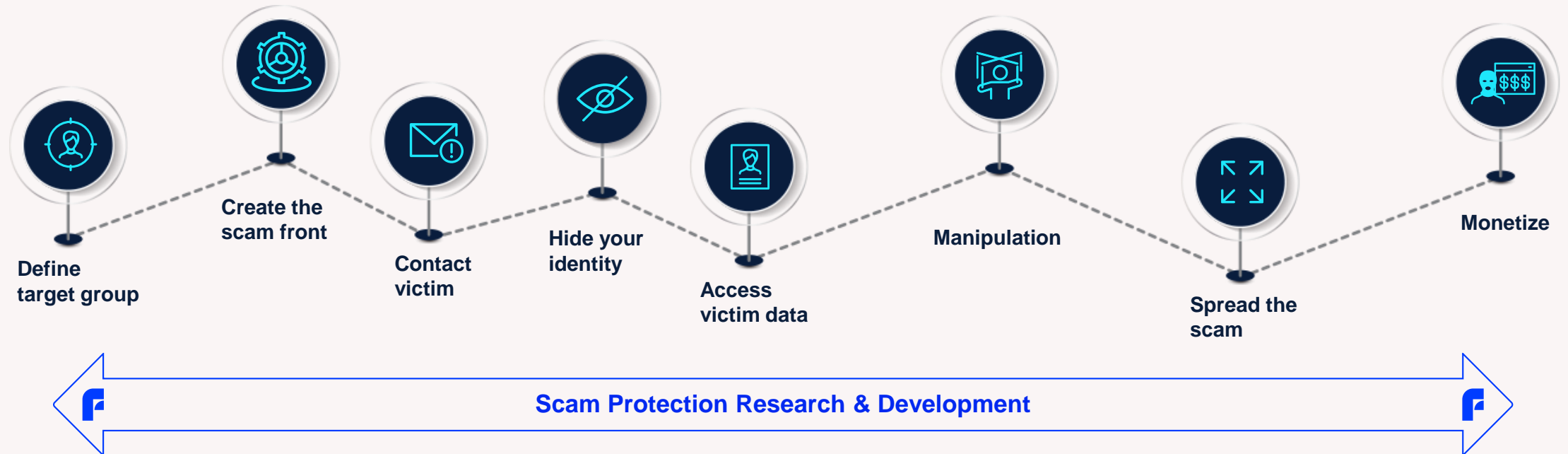
Phishing Tool & Information Collector

CSS · 4.1k · Updated 10 days ago

Understanding the scammers' view

F-Secure Scam Research Threat Intelligence "Scam Tactics & Techniques Framework"

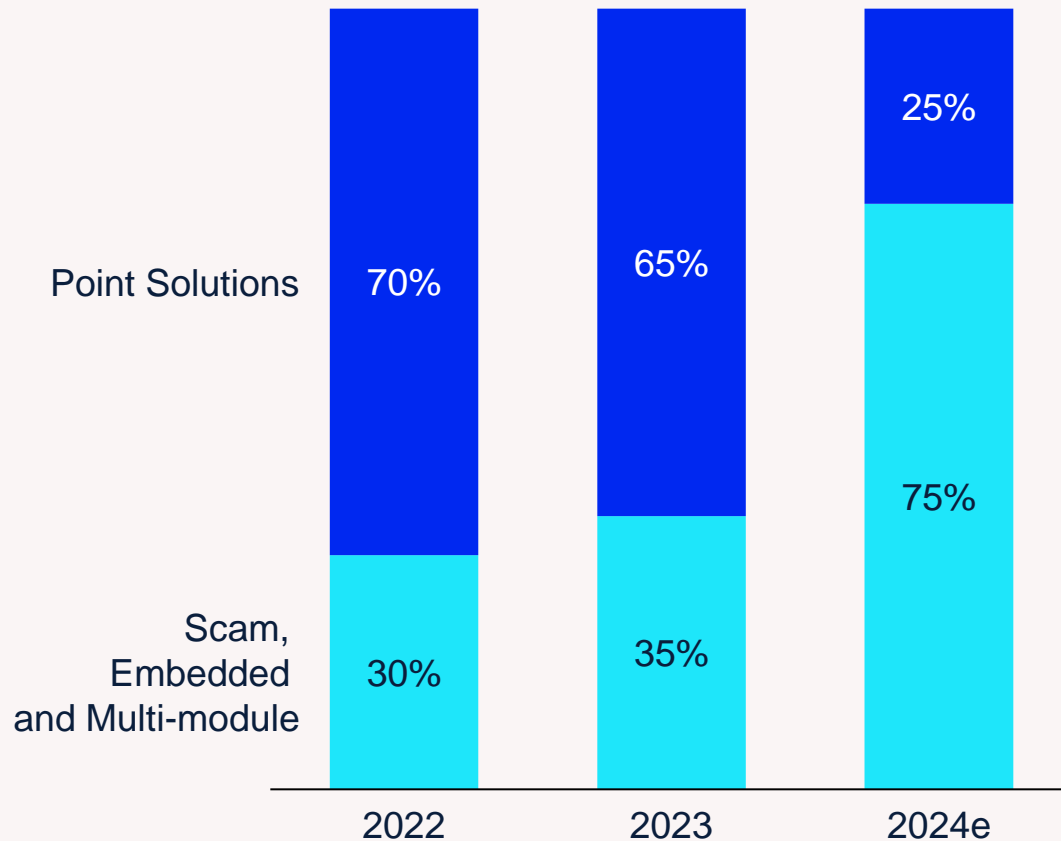
Scammer's steps



Committed to industry leading innovation

Massive shift from point solutions to more holistic offering

Split of R&D investments



Industry leading security excellence and research



Differentiation and unique IPR in scam protection as well as consumer experience

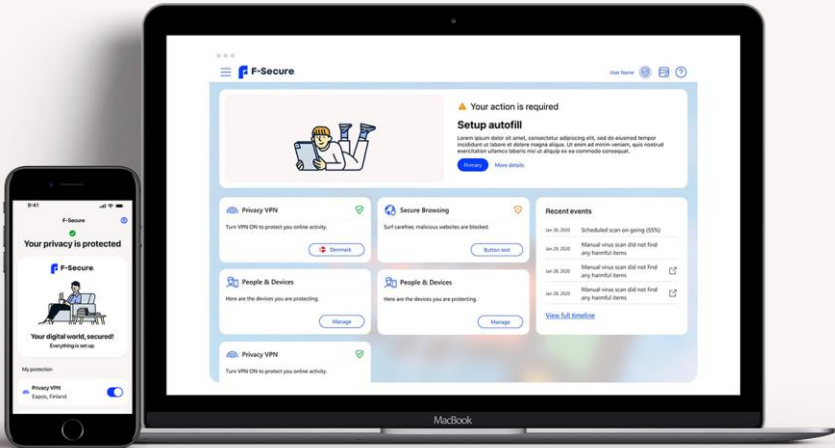


Use of data and AI to enhance protection capabilities, customer and partner experience, and R&D agility and efficiency

Comprehensive portfolio across platforms, devices & networks



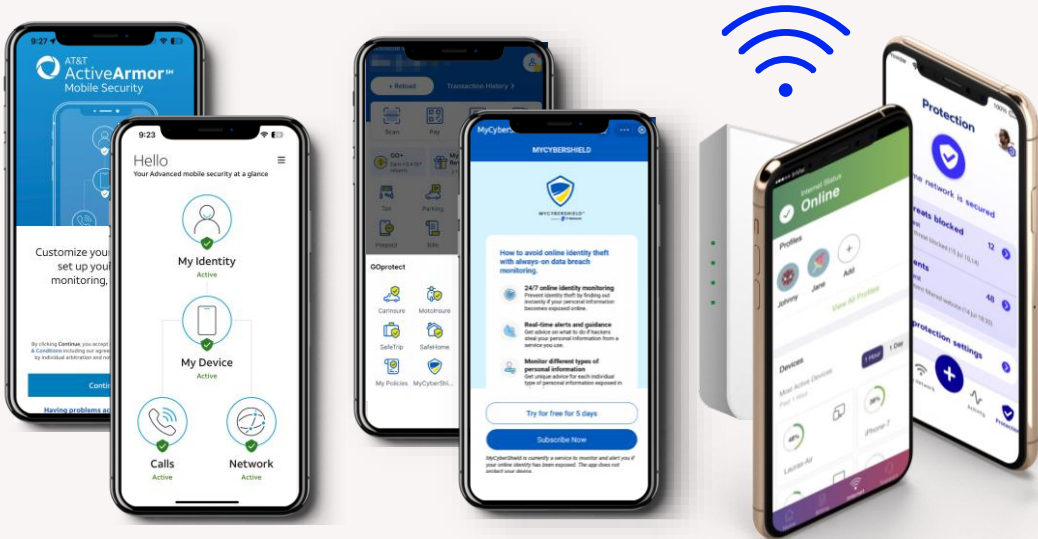
Protection delivered through F-Secure experience



F-Secure or co-branded for partner look and feel



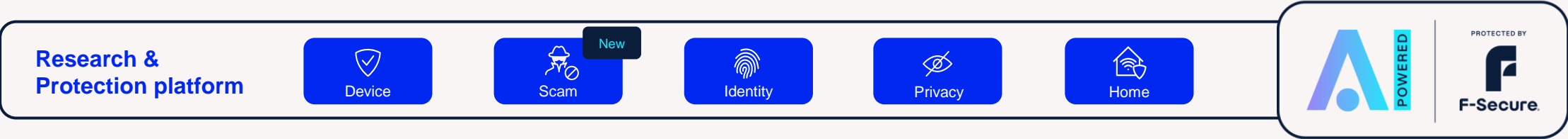
F-Secure assets built into applications, routers* & networks



AT&T Active Armor

Super app

Operator/WiFi app



Total

Eero Kukko

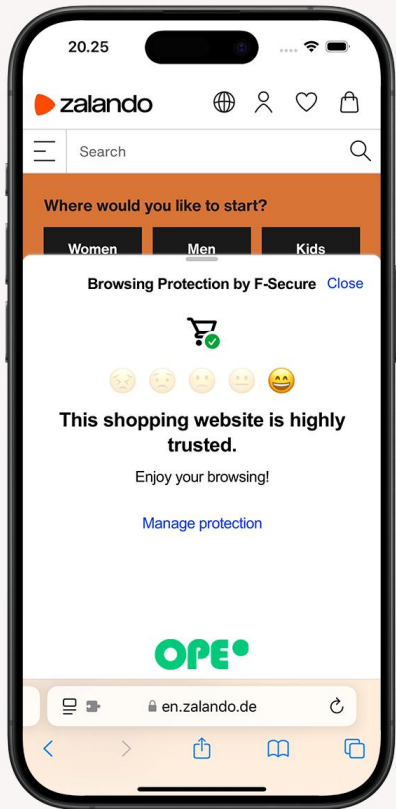
Director, Product Management
Security Suite



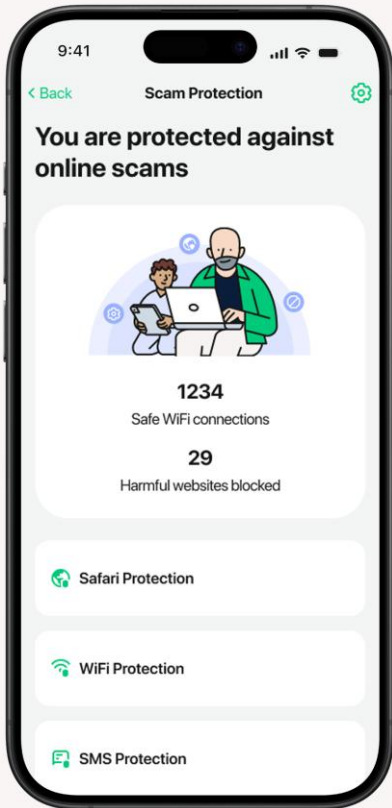
Total “one app” with new scam protection and experience



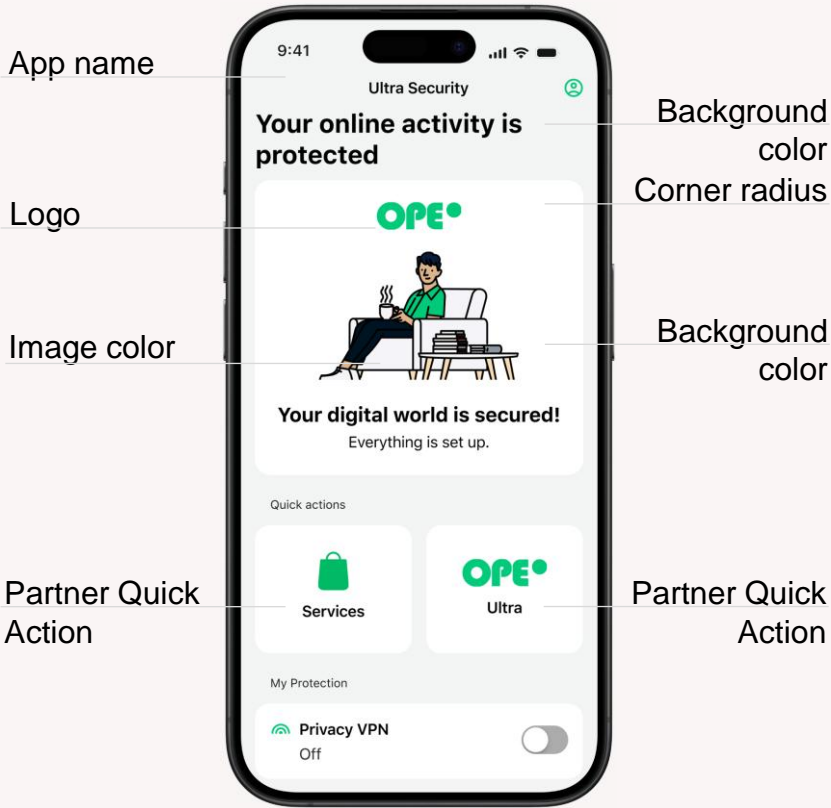
Protecting you in the moment
unique approach



Award winning AI-powered
SMS Scam protection



Industry leading
partner flexibility



Embedded Security

Niko Kiukkonen

Director, Product Management
Embedded Security



Broadest & smartest Embedded Security portfolio



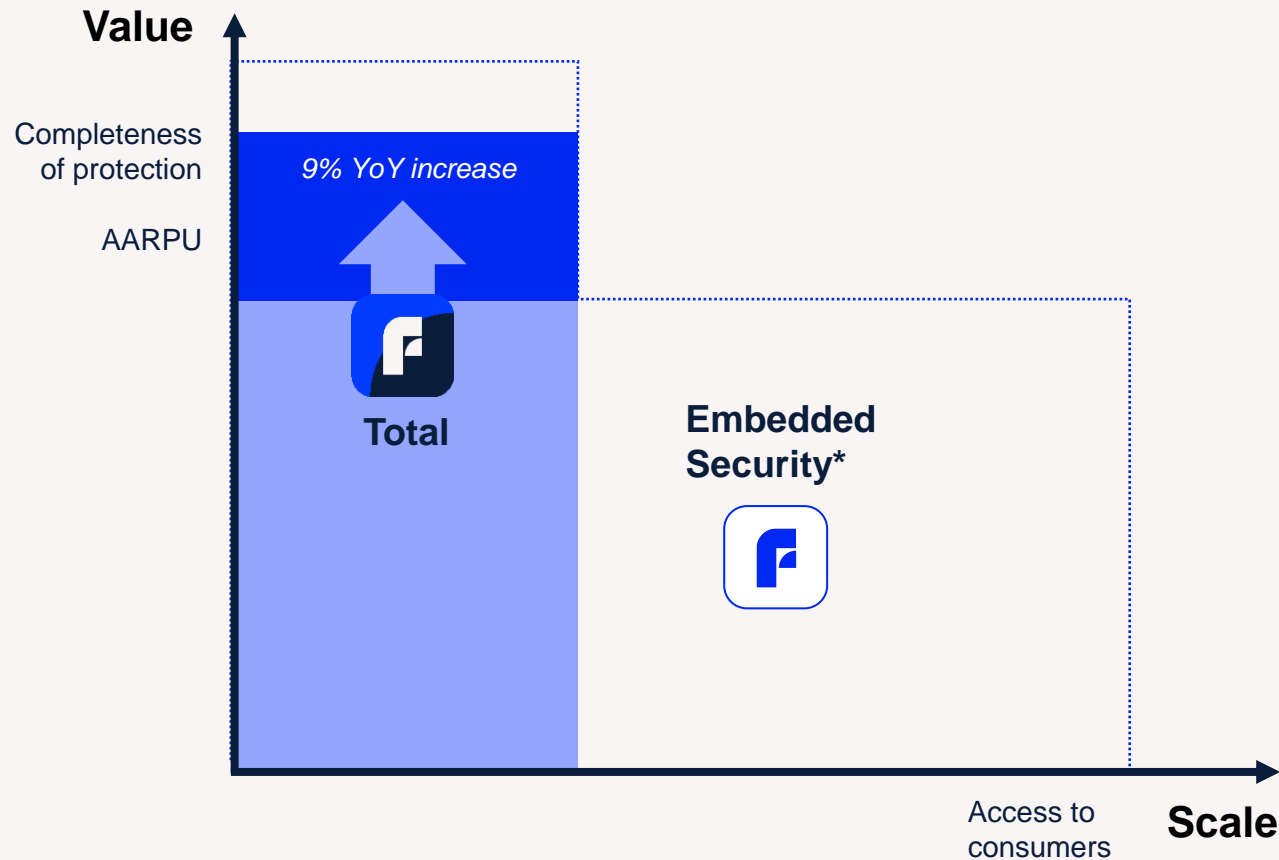
Embedded
Security



Fastest time to value through the unique Embedded 'Experience'

The highest degree of flexibility with a broad & modular portfolio

Delivering on growth strategy – Total



24% of users and 42% of partners on multimodule Total



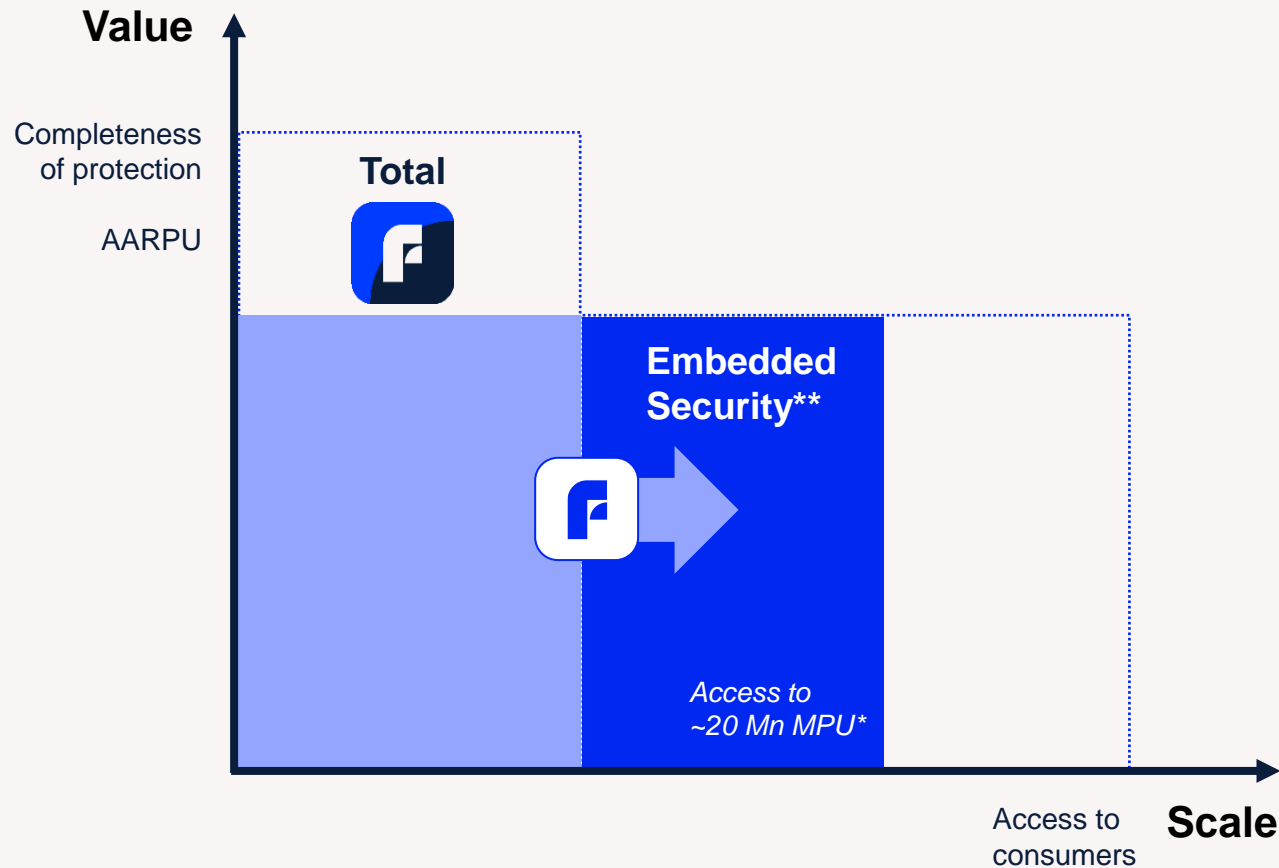
* Includes Sense Router Security & Network Security

** Current indicative view for 2024

Delivering on growth strategy – Embedded Security



Embedded
Security



Delivering Embedded to 4 of 10 Tier 1's globally, with more in the pipeline

Well positioned on router standardization with the biggest partner ecosystem accessing ~50% of the CPE market



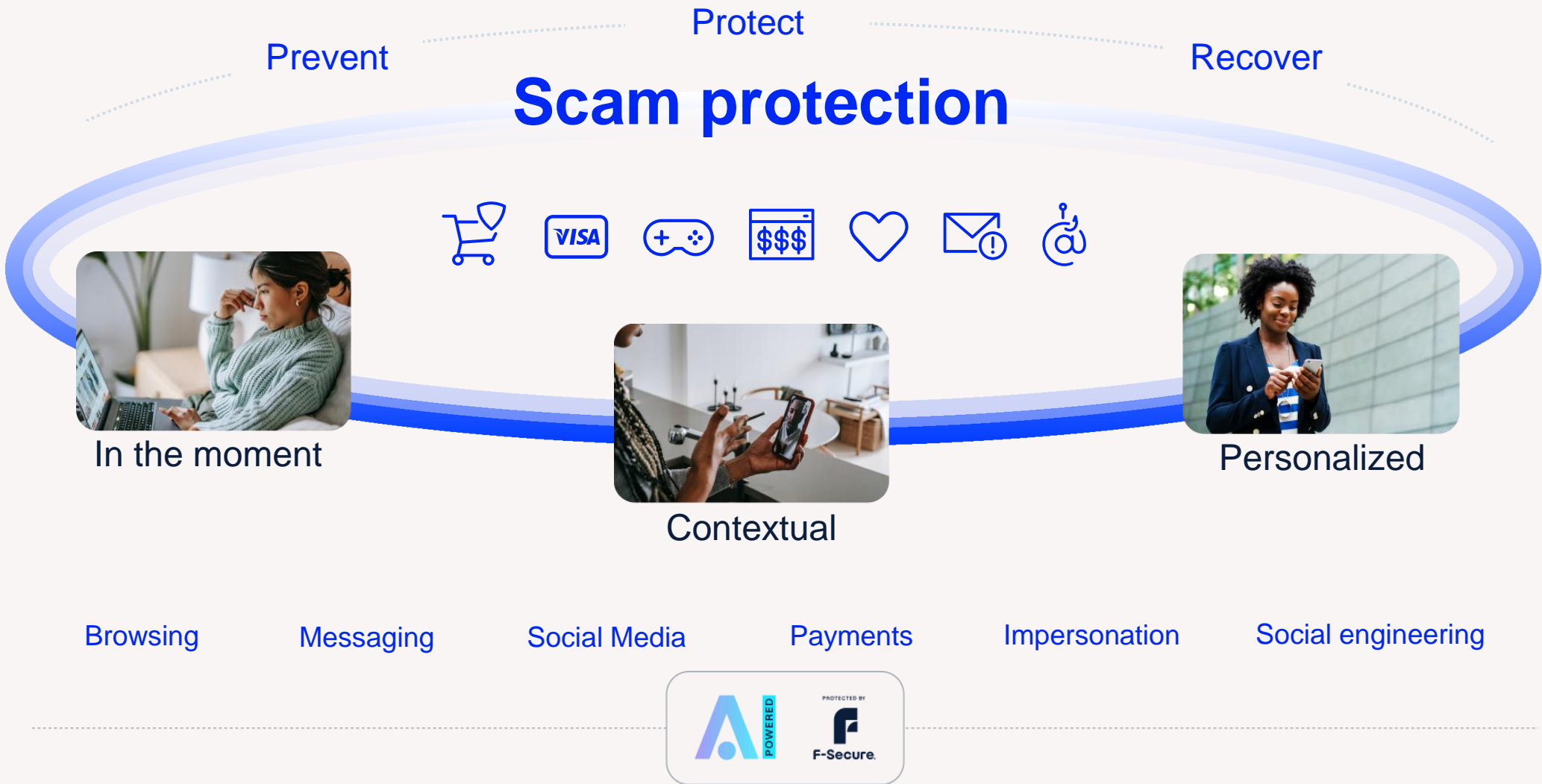
* Monthly paid users

** Includes Sense Router Security & Network Security

CPE= Customer Premises Equipment, i.e., home WiFi router

Trusted Companion

Our unique AI-powered approach re-imagining consumer security experience



Q&A



Investing for growth

Sari Somerkallio

Chief Financial Officer



Updated medium term financial targets

2025 is still a business ramp-up year, after which the journey towards achieving the financial targets is expected to accelerate

Growth

High single digit growth (CAGR) with additional significant upside from major Tier 1 deals

Profitability

Adjusted EBITA margin approaching 40% as revenue reaches EUR 200 million

Dividend yield

Around or above 50% of net profit; which can be adjusted as long as leverage is higher than the targeted level

Leverage

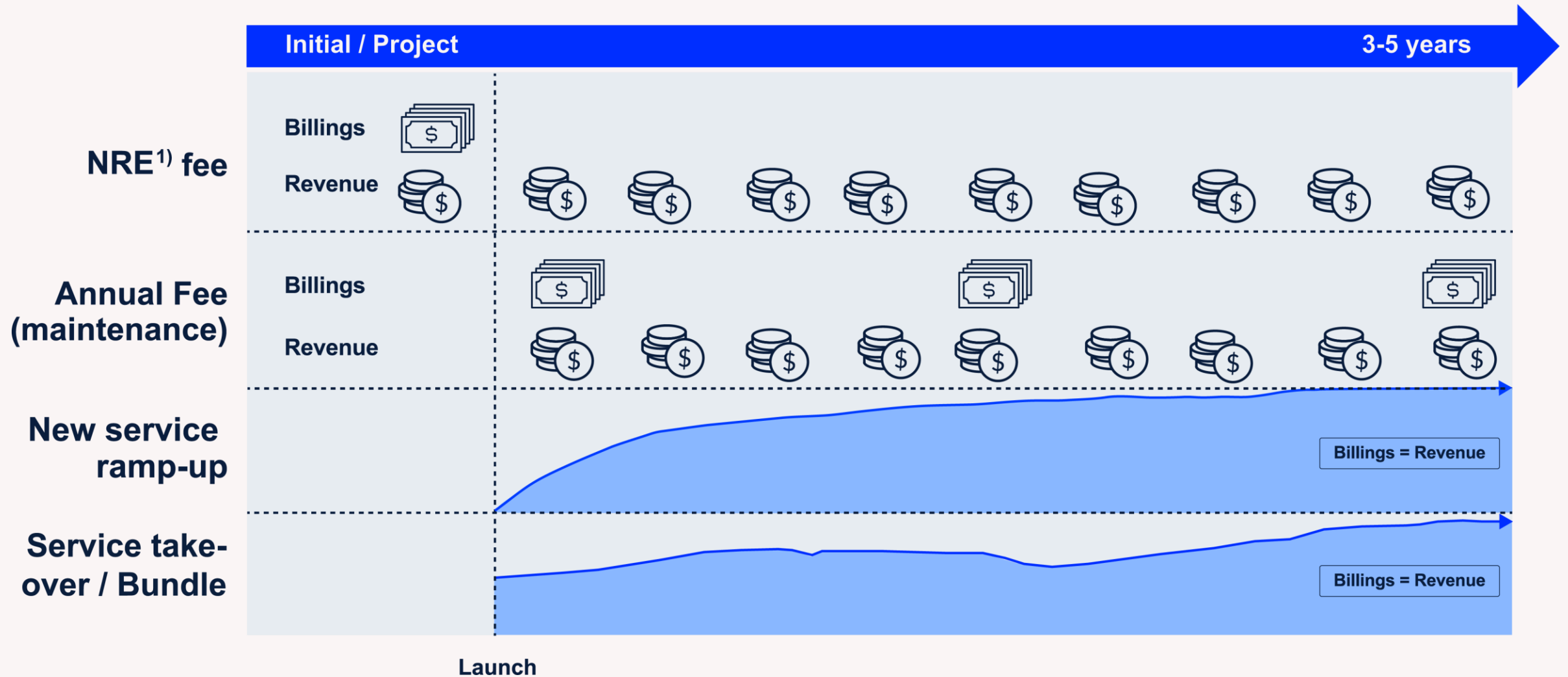
Net debt / adjusted EBITDA ratio below 2.5x, excluding temporary impact from acquisitions

Towards the updated medium-term financial targets

	Previous mid-term targets (by 2026)	Updated mid-term targets	
Growth	More than EUR 200 million	High single digit growth (CAGR) with additional significant upside from major Tier 1 deals	<ul style="list-style-type: none">✓ Strong Tier 1 pipeline✗ Long lead times in Tier 1✗ Some declining partners
Profitability	After initial growth investments, adjusted EBITA margin of above 42%	Adjusted EBITA margin approaching 40% as revenue reaches EUR 200 million	<ul style="list-style-type: none">✓ Scalability – growth supports profitability✗ Investments in capabilities✗ Tier 1 ramp-up impact
Dividend yield	Around or above 50% of net profit on an annual basis	Around or above 50% of net profit; which can be adjusted as long as leverage is higher than the targeted level	<ul style="list-style-type: none">○ Liquidity○ Debt repayment
Leverage	Below 2.5x, excluding temporary impact from acquisitions	Below 2.5x, excluding temporary impact from acquisitions	<ul style="list-style-type: none">✗ PPA amortization

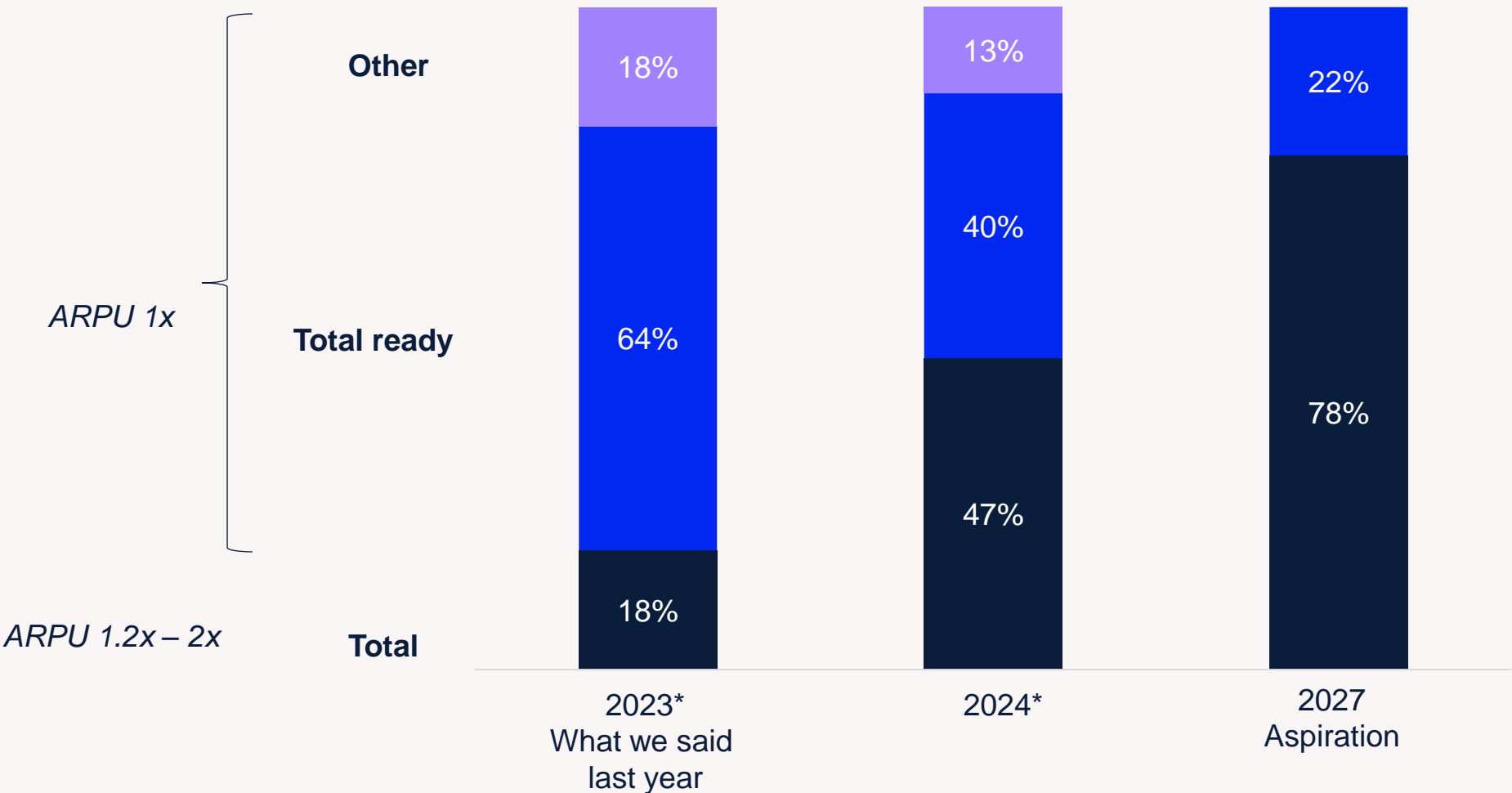
Revenue dynamics in the Partner Business

Revenue recognition of typical business components



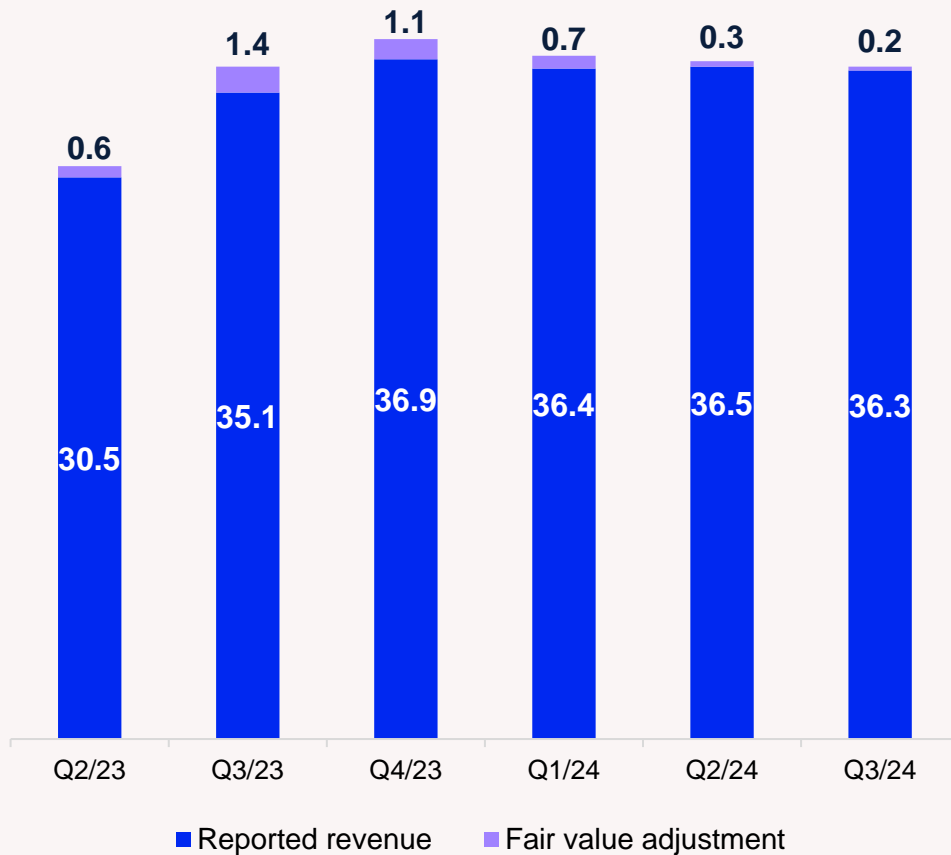
Substantial value potential in Total conversion

Partner Business revenue – security apps



Understanding F-Secure topline reporting

Lookout post-acquisition related deferred revenue fair valued according to IFRS reporting



- Lookout post-acquisition related deferred revenue is fair valued according to IFRS reporting
- The negative revenue impact for 2024 is estimated to be approximately EUR 1.5 million

Fair value adjustments to continue until April 2025 with estimated quarterly level of EUR 0.2 million and around EUR 0.1 million in April 2025 (with some minor currency impact from the USD).

Solid deleveraging continues

Shareholder returns combined with growth investments and deleveraging

1. Fund growth

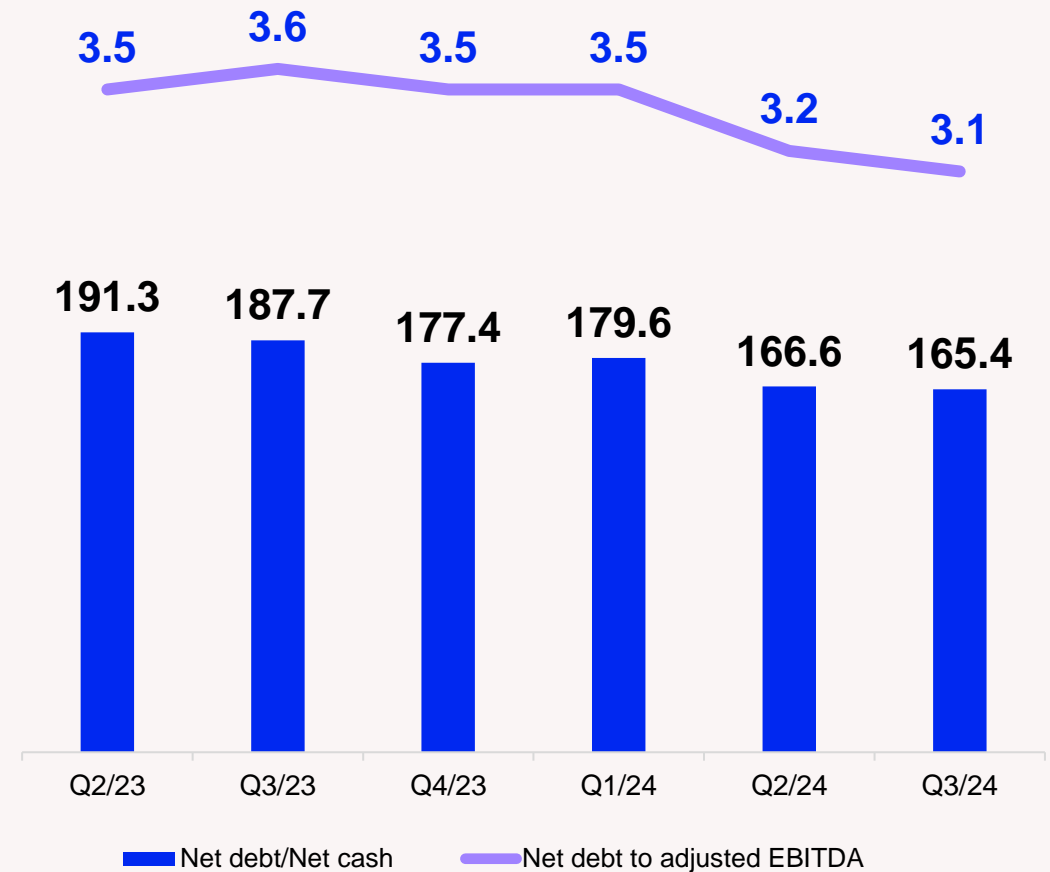
- ✓ Value-enhancing CAPEX and OPEX investments

2. Deleverage through debt repayment

- ✓ Net debt/EBITDA below 2.5x – excluding temporary impact from acquisitions
- ✓ Refinancing

3. Shareholder returns

- ✓ Around or above 50% of net profit; which can be adjusted as long as leverage is higher than the targeted level

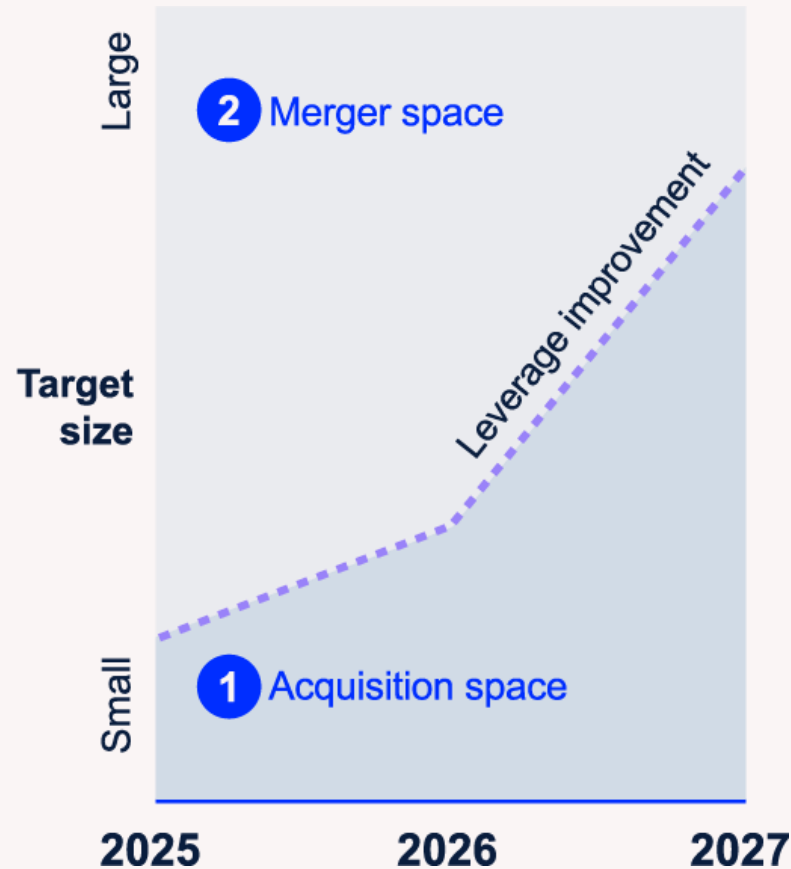
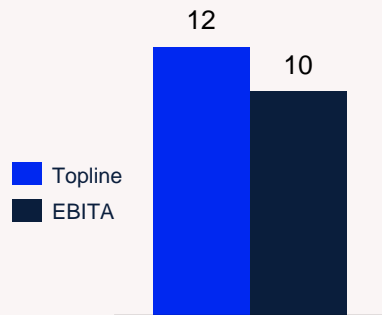


Building programmatic M&A capabilities within medium term financial framework

LookoutLife
By F-Secure®

Synergies tracking
as per plan

Originally estimated
annual synergies
2027 (MEUR)



Illustrative. Large target defined to be 30% or higher from F-Secure market cap

Acquisitions

Balance against existing debt level

Options for larger moves improve over time, including use of equity

Mergers

Can be considered if deal significantly increasing shareholder value and overall competitiveness

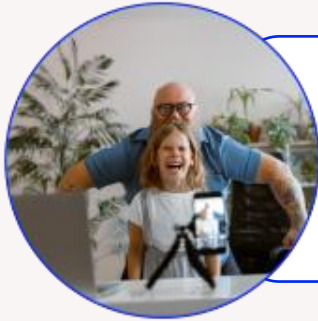
M&A scope

1. Scam Protection
2. AI tech and competences
3. Further differentiation in the partner business

Expanding sustainability reporting scope and transparency

In tandem with CSRD regulation, ESG assessment and 2024 annual reporting

ESG Commitments



Protecting digital moments

- Building trust in digitality remains most material impact to society
- Sustainability part of incentives thru financial metrics and employee satisfaction



Responsible business

- Emission targets aligned with CSRD and Paris agreement, SBTi decision Q1/25
- Sustainability Council driving ESG agenda across the company



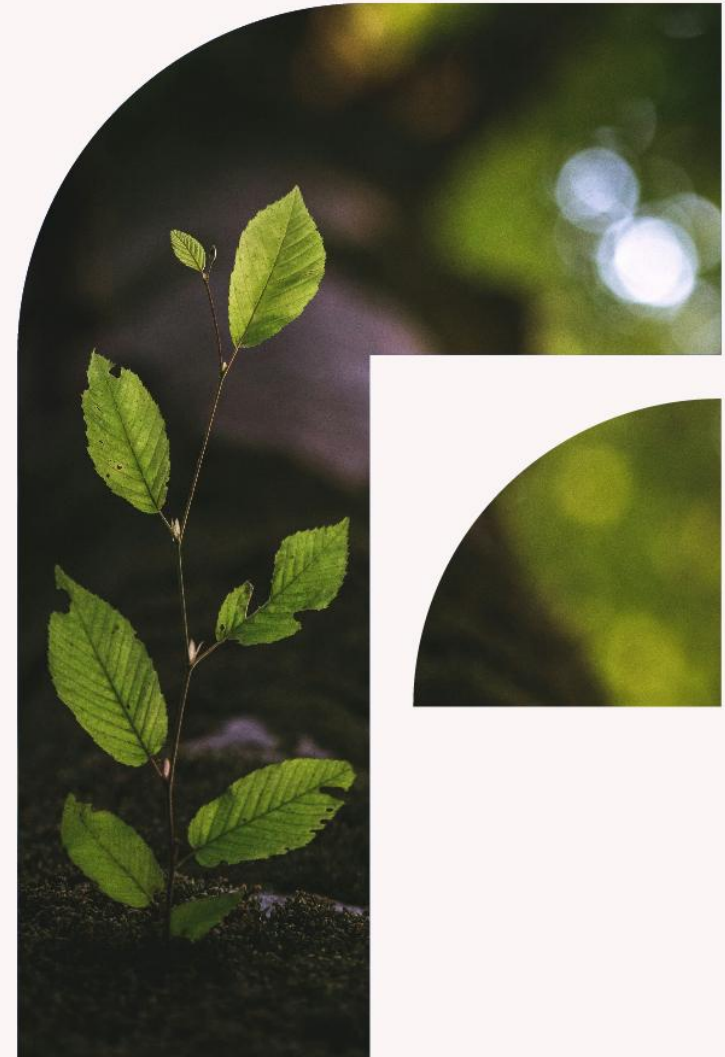
Fellow experience

- Talent acquisition and employee wellbeing critical for long term success
- Own workforce targets defined and expanding metrics e.g. employee turnover

Key takeaways – why to invest in F-Secure?

Solid foundation to achieve the growth targets

- ✓ Scalable, highly profitable SaaS business model
- ✓ Strong operative cash flow
- ✓ Global leader in the Communication Service Provider (CSP) channel
- ✓ Well positioned to grow through strategic partnerships



Closing words

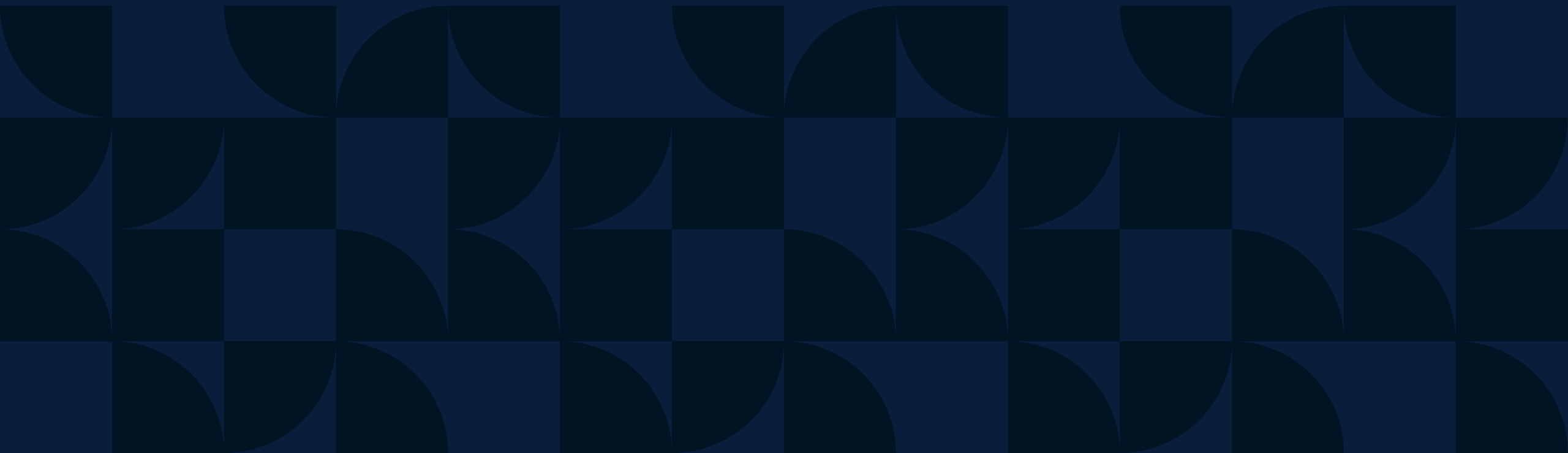
Timo Laaksonen

President and CEO





Q&A





**Thank you for
joining us today!**



